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Sent: 2/23/2007 4:33:44 PM
Subject: Proposed Honolulu Toll Road

Attachments: c4.0

## Hi Sherry:

There was brief mention during our discussion earlier today about a proposed toll road in Honolulu and its interplay with the the fixed guideway project. While FHWA has likely included information on this proposed highway project in its briefing materials for the Secretary's meeting with Governor Lingle, we have learned the following today and wanted to share it with you.

As we understand, the State DOT recently announced it is requesting the legislative authority to enter into a public-private agreement to construct and operate a toll road system. The proposal apparently caused some confusion (see article below) among the press giving them the impression that the State is proposing a highway alternative to compete with the City's fixed guideway proposal. We were informed that is not the case.

The highway facilities that are included in the State's announcement are, in fact, already included in the baseline as the City evaluated transit alternatives in its Alternatives Analysis because they were all included in the current regional long-range plan for Oahu (OMPO, Oahu Regional Transportation Plan, April 2006). The State's plan includes the existing AM Zipper Lane (on H1), proposed PM Zipper Lane (on H1), and the Nimitz Flyover (1.4 mile 2-lane toll viaduct between the Honolulu International Airport and Downtown.)

What is new in the announcement is the fact that those facilities are to be converted to or being constructed as toll facilities so that the toll revenues will be used to attract private participations. The State's earlier attempt to attract private interests failed when the toll was to be collected only on the Nimitz Flyover. It seems the supplemental revenue from the Zipper operation is needed.

Hope this helps.

Leslie



Posted on: Tuesday, January 30, 2007

# Kapolei-to-Honolulu toll road may be next

StoryChat: Comment on this story

By <u>Mike Leidemann</u> Advertiser Staff Writer The state has begun preliminary discussions with private developers to help finance, build and operate a \$700 million toll road that could run from Kapolei to Honolulu via the H-1 Freeway and a newly double-decked Nimitz Highway, transportation officials said Monday.

The project would supplement the city's plan for a rail system that would follow a different route into Honolulu.

One possible version of the state project calls for converting the existing "Zipper" and high-occupancy vehicle lanes on the H-1 Freeway to reversible managed lanes with variable tolls for drivers, said Brennon Morioka, state deputy transportation director for highways.

"We're very serious about moving ahead with such partnerships," Morioka said.

He told state lawmakers Monday that such transportation projects will be increasingly important in coming years as gasoline tax revenues, the state's primary source of highway funding, declines with the spread of more fuel-efficient vehicles.

"The money for highways is decreasing. Unless we do something different, there are going to be fewer and fewer dollars to improve our roads."

The state has had talks with up to a dozen financiers to gauge interest in such projects in Hawai'i, he said.

"The intent is to get our funds to go further than we would with just the government alone," said interim state Transportation Director Barry Fukunaga.

Members of the Hawai'i Users Alliance group, which advocates construction of managed-lane toll roads, on Monday endorsed the concept of public-private highway construction.

"Two lanes of managed traffic can carry the equivalent of four lanes of regular freeway traffic," said Cliff Slater, a spokesman for Honolulutraffic.com. "You could see up to a 25 percent reduction in traffic congestion."

#### 'A VERY SCARY THOUGHT'

Others, however, criticized the idea of privatizing existing freeway lanes, and at least one state representative worried about the state abdicating its control over the use of publicly funded roadways.

"It's a very scary thought. To take lanes that have been paid for with public taxes and start charging for them doesn't seem to be a solution," said Dave Rolf, executive director of the Hawai'i Automobile Dealers' Association. "That would be wrong."

A better idea, Rolf said, would be to build additional lanes above the existing H-1 Freeway for toll use.

State and city officials have estimated that building an elevated-lane managed system from either Kapolei or Waikele to Pier 16 would cost about \$3 billion. Morioka said on Monday that converting the existing lanes and building a new Nimitz Highway flyover would cost about \$700 million.

Morioka said discussions so far have been designed to see what kinds of transportation projects private developers would be interested in.

"The most logical place to start is along the H-1 Freeway and the Nimitz corridor," he said. If given legislative approval, the state could be "poised to enter into some kind of agreement within the next 18 months," he added.

State Rep. Alex Sonson, D-35th (Pearl City-Waipahu), said he was worried about lawmakers and state officials possibly giving up oversight of toll pricing, public access and law enforcement as part of any private deal.

"How do you protect consumers subject to tolls?" he asked.

"Basically, it becomes market- driven," Morioka said, suggesting that if tolls were too high, drivers would choose not to use the road.

"I can't take that as an answer. It's inappropriate to take a road that's been paid for by taxpayers and hand it over to a profit-driven company," Sonson shot back.

Morioka later said that any partnership would be a strictly negotiated contract with safeguards for the government and public. "Competition will be critical to getting the best type of agreement we can," he said.

Privately built or operated tollways have become increasingly popular on the U.S. Mainland and around the world in the past decade, including one project in Tampa, Fla., that was built entirely with private money.

### OLD IDEA REVIVED

Morioka said 21 states have legal authority to enter into roadway partnerships with private operators. Slater added that the federal Transportation Department last year endorsed the use of "congestion pricing" plans and encouraged states to pass legislation giving the private sector a role in transportation projects.

The idea to double-deck part of Nimitz Highway has been around for more than a decade but received a boost in 2003 when a transportation

task force headed by Gov. Linda Lingle revived the concept of using a reversible "flyover" that would still leave open space above much of the roadway.

Fukunaga said DOT had put the Nimitz flyover on the back burner while Honolulu officials debated what kind of mass transit system they wanted. Last month, the Honolulu City Council chose a \$4.8 billion elevated rail line as the locally preferred alternative to deal with traffic in the Kapolei-to- Honolulu corridor.

"We didn't want to do anything that might conflict with city plans," Fukunaga said. Now that the city has said the rail line will use Dillingham Boulevard rather than Nimitz Highway for part of its Honolulu route, the state is ready to proceed with its own Nimitz project.

It would run from Ke'ehi Interchange to Pacific Street, the same area that the state is now using for a highly successful Nimitz contraflow plan during the morning rush hour, he said.

## **QUICK ACTION SOUGHT**

The state hopes to finish an environmental impact statement for the Nimitz project within two months and quickly begin public hearings on it, Fukunaga said.

The state House Transportation Committee, meanwhile, deferred action Monday on three bills dealing with public-private transportation partnerships. Chairman Joe Souki, D-8th (Wailuku, Waihe'e, Waiehu) said the measures would be consolidated into one bill that would receive another public hearing on Wednesday.

Reach Mike Leidemann at mleidemann@honoluluadvertiser.com.



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